

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 21, 2003

IN RE:

NOTICE OF PROPOSED CUSTOMER BASE
TRANSFER BY BUYERS UNITED, INC. FOR
APPROVAL OF CUSTOMER NOTICE LETTER
PURSUANT TO TRA RULE 1220-4-2-.56(2)(d)(2)

DOCKET NO.
03-00087

ORDER APPROVING CUSTOMER NOTICE LETTER

This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate, and Director Pat Miller of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on March 3, 2003, for consideration of the Notice of a proposed transfer of customer base (the "Notice")¹ filed by Buyers United, Inc. ("Buyers"), which requires approval of a customer notice letter pursuant to TRA Rule 1220-4-2-.56(2)(d)(2).

TRA Rule 1220-4-2-.56(2)(d)(2) – (4)

TRA Rule 1220-4-2-.56(2)(d)(2) provides as follows:

- (d) In the case of a transfer of a customer base between two or more telecommunications service providers, the Authority, upon petition by the acquiring telecommunications service provider, may deem that sufficient notice has been given and approval received from the affected customers when the following criteria are met:
- ...
2. A notification letter, pre-approved by the Authority, shall be mailed by U.S. First Class Postage by the telecommunications service provider being acquired to its customers describing the customer transfer and explaining that the customers' local or long

¹ The Notice was sent in the form of a letter to Joe Werner, Chief of the Telecommunications Division of the TRA, and was treated as a petition for the TRA's approval of a customer notice letter.

distance service will be transferred to the acquiring telecommunications service provider by a certain date unless the customer selects another telecommunications service provider. This customer notification shall be mailed to the customers no less than thirty (30) days prior to the actual customer transfer. The notification letter required by the FCC may be used for the notification purposes of this part. The Authority may waive the thirty (30) day notice requirement of this part for good cause shown.

3. The acquiring telecommunications service provider agrees to pay any fees charged to the customer associated with changing service to the acquiring telecommunications service provider. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.
4. The acquiring telecommunications service provider agrees to provide to the affected customers a thirty (30) day written notice of any rate increase that may affect their service up to ninety (90) days from the date of the transfer of customers. The notification letter mentioned in 1220-4- 2-.56(2)(d)(2) shall inform the customer of this provision.

The Notice

The Notice, which was filed on February 4, 2003, states that Buyers and Touch America, Inc. ("Touch America") entered into an Asset Purchase Agreement on December 23, 2002, wherein Buyers agreed to purchase certain assets of Touch America, including approximately thirty-one switched voice long distance customer accounts. Touch America was granted authority to provide interexchange telecommunication services in Tennessee by Order dated March 22, 2001 in TRA Docket No. 00-00984. Buyers was initially granted authority to provide intrastate telecommunication services in Tennessee by Order dated March 14, 2000 in TRA Docket No. 98-00313. Buyer's certificate was revoked on March 26, 2002 for failure to provide the required surety bond and was reinstated on December 2, 2002 in Docket No. 02-01103.

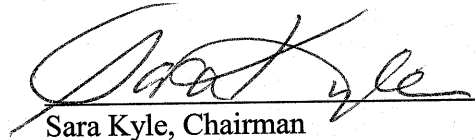
Pursuant to the agreement between these parties, Buyers is seeking approval of a customer notice letter concerning the transfer of customer base from Touch America to Buyers. TRA Rule 1220-4-2-.56(2)(d)(2) provides that, in case of a transfer of customer base from one

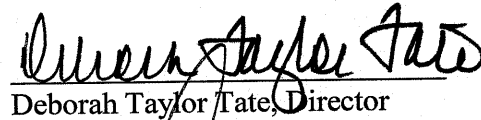
telecommunications service providers to another, the TRA may deem that the provider whose customer base is being acquired has met the notification requirements of the TRA's anti-slamming rules by sending a letter to its affected customers notifying them of the change in provider. This rule requires TRA approval of the letter and, by implication, of the transfer of customer base. Buyers' proposed customer notice letter will be sent jointly by both companies with the names of Touch America and United Carrier Networks, a division of Buyers, included on the letterhead, and the transfer will occur following compliance with the thirty-day notice requirement.

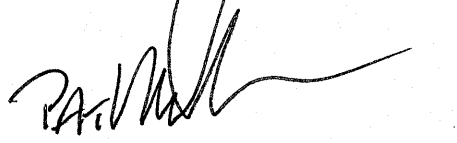
At the March 3, 2003 Authority Conference, the Directors voted unanimously to approve the customer notice letter filed with the TRA on February 4, 2003, and, by implication, the transfer of customer base from Touch America to Buyers. During the Conference, it was determined that Touch America's name will also be included on the envelope so that recipients of the letter can easily identify Touch America, the current service provider, as the sender and will be less likely to discard the letter prior to reading.

IT IS THEREFORE ORDERED THAT:

1. The transfer of customer base from Touch America to Buyers is approved.
2. The customer notice letter proposed by Buyers and Touch America is approved.


Sara Kyle, Chairman


Deborah Taylor Tate, Director


Pat Miller, Director